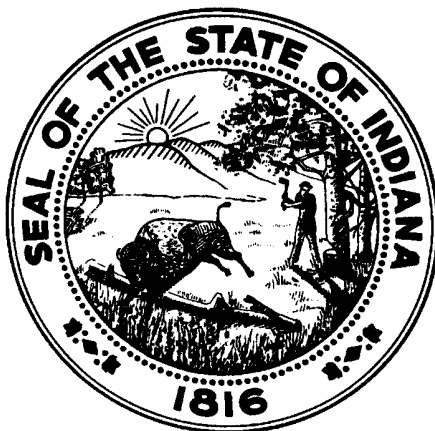


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBERS 170, 262 AND 470  
FORT WAYNE, INDIANA

January 1, 2003 to December 31, 2003





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## OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman, Bureau of Motor Vehicles Commission	Mr. Gerald Coleman Ms. Mary DePrez	01-06-02 to 02-29-04 03-01-04 to 01-05-05
Branch Manager	Mrs. Patricia A. Kuntz Ms. Victoria A. Knowles (Interim) Mrs. Deborah S. Moynahan	01-01-03 to 07-01-03 07-02-03 to 09-21-03 09-22-03 to 12-31-04



# STATE OF INDIANA

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## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BUREAU OF MOTOR VEHICLES COMMISSION

We have examined the Schedule of Collections and Distributions of the State Bureau of Motor Vehicles Commission License Branch Numbers 170, 262 and 470 (Branch) for the period of January 1, 2003, to December 31, 2003. The Branch's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Collections and Distributions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Branch for the year ended December 31, 2003, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 5, 2004

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
 LICENSE BRANCH NUMBERS 170, 262 AND 470  
 FORT WAYNE, INDIANA  
 SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS  
 January 1, 2003 to December 31, 2003

	Branch Number 170	Branch Number 262	Branch Number 470	Totals (Memorandum Only)
Collections:				
Registrations	\$ 6,977,534	\$ 328,593	\$ 17,918	\$ 7,324,045
Titles	2,048,274	-	3,267	2,051,541
Drivers Licenses	372,939	-	52,725	425,664
Watercraft	158,276	-	12	158,288
Miscellaneous	<u>1,556</u>	<u>-</u>	<u>37</u>	<u>1,593</u>
Total	<u>\$ 9,558,579</u>	<u>\$ 328,593</u>	<u>\$ 73,959</u>	<u>\$ 9,961,131</u>
Distributions:				
State Fees	\$ 3,479,590	\$ 60,072	\$ 31,100	\$ 3,570,762
County Tax	5,179,047	243,684	12,842	5,435,573
Commission Fees	<u>899,942</u>	<u>24,837</u>	<u>30,017</u>	<u>954,796</u>
Total	<u>\$ 9,558,579</u>	<u>\$ 328,593</u>	<u>\$ 73,959</u>	<u>\$ 9,961,131</u>

The accompanying notes are an integral part of the schedule.

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBERS 170, 262 AND 470  
FORT WAYNE, INDIANA  
NOTES TO SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS

Note 1. Introduction

The Motor Vehicles Commission was created to manage the motor vehicle license branches. The Bureau of Motor Vehicles is a separate state agency which provides support services to the Commission controlled license branches. The license branches collect fees which fund the Motor Vehicles Commission. The license branches collect and forward county taxes (excise tax, wheel tax, and surtax) and state fees. The Commission has one contractual branch that is administered by an individual contractor according to Bureau policies. The Commission has developed a mobile license branch to serve the need of CDL license issuance and other special needs as they arise.

Note 2. Collections and Distributions

Each branch collects fees and taxes when vehicle and watercraft registrations, titles and drivers licenses are sold. Fees are uniform throughout the state. The following taxes are collected by the branches: excise tax, surtax, wheel tax, and use tax.

The total daily collections are deposited to a single bank account. From this account the collections are distributed to separate bank accounts which are not controlled by the license branch and belong to the state, county and Bureau of Motor Vehicles Commission.

Note 3. Banking System

The Bureau of Motor Vehicles Commission has entered into an agreement with Bank One for a cash concentration system. The system utilizes a series of individual noninterest bearing accounts (clearing accounts) from which all fees and taxes are transferred.

Note 4. Combined Branch Report

This report contains financial and statistical information for License Branch Numbers 170, 262 and 470. Fort Wayne License Branch Number 170 is a full-service license branch. License Branch Number 262 is a self-service terminal (SST). License Branch Number 470 is a regional site for the reinstatement of drivers licenses. These branches are combined in one report because the manager of Branch 170 is responsible for managing each of these branches.

Note 5. State Reinstatements of Drivers Licenses (SRED)

In 2003, \$877,707.15 in state fees were collected by Fort Wayne License Branch Number 470, a regional site for the reinstatement of suspended drivers licenses. SRED collections are deposited daily in the branch clearing account. SRED fees are remitted to the state through bank transfers as described in Notes 1 and 2. These monies have not been reported in the Schedule of Collections and Distributions.

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
 LICENSE BRANCH NUMBERS 170, 262 AND 470  
 FORT WAYNE, INDIANA  
 STATISTICAL INFORMATION  
 January 1, 2003 to December 31, 2003

<u>Transactions Processed</u>	<u>Branch Number 170</u>	<u>Branch Number 262</u>	<u>Branch Number 470</u>	<u>Totals (Memorandum Only)</u>
Vehicle Registrations:				
Passenger	37,411	2,166	125	39,702
Motorcycle	1,259	80	8	1,347
RV (Housecar)	319	20	-	339
Light Truck	9,624	505	41	10,170
Other Truck	908	12	-	920
Farm Truck	20	1	-	21
Tractor	28	-	-	28
Trailer	3,563	166	7	3,736
Semi-Trailer	149	-	-	149
School and Church Bus	15	-	-	15
Other Bus	50	-	-	50
Other	15	1	-	16
Total Vehicle Registrations	<u>53,361</u>	<u>2,951</u>	<u>181</u>	<u>56,493</u>
Drivers Licenses and Permits:				
Drivers Licenses/Learners Permits	15,482	-	2,226	17,708
CDL Licenses/CDL Permits	562	-	140	702
Placards	1,678	-	5	1,683
Other	11,893	-	1,768	13,661
Total Drivers Licenses and Permits	<u>29,615</u>	<u>-</u>	<u>4,139</u>	<u>33,754</u>
Titles:				
Vehicles	31,532	-	76	31,608
Watercraft	533	-	-	533
Total Titles	<u>32,065</u>	<u>-</u>	<u>76</u>	<u>32,141</u>
Total Watercraft Registrations	<u>1,600</u>	<u>-</u>	<u>1</u>	<u>1,601</u>



STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBERS 170, 262 AND 470  
FORT WAYNE, INDIANA  
EXAMINATION RESULTS AND COMMENTS

TRANSFER OF FUNDS

Thirty-four of six hundred seventy-two invoices were not transferred in accordance with the transfer schedule developed by the Bureau of Motor Vehicles. A similar comment appeared in prior Audit Report Number B22197.

All transfers must be made in accordance with the Bureau's prescribed transfer schedule. (Branch Operations Policies and Procedures Manual, Journal Chapter)

DEPOSIT COMPOSITION

As stated in prior Audit Report Number B22197, the composition of cash, checks and credit card totals per the cash register tape did not agree with the breakdown on the bank deposit tickets and credit card deposit forms.

Transactions must be entered into the register according to the correct department and payment category keys at all times. (Branch Operations Policies and Procedures Manual, Periodic Reconcilements Chapter) IC 5-13-6-1 states in part: "Public funds . . . shall be deposited in the same form in which they were received."

DAILY DEPOSITS

The branch did not consistently deposit receipts by the following business day.

Indiana Code 5-13-6-1(b) states in part: ". . . all public funds . . . shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds."

REPLACEMENT PLATES

As stated in prior Audit Report Number B22197, Form 6, "Application for Duplicate or Replacement License Plate," was not on file for all replacement plates and stickers issued.

The registration stub/receipt should be attached to the Form 6, "Application for Duplicate or Replacement License Plate," and put in the End of Day file marked with the appropriate invoice number. (Branch Operations Policies and Procedures Manual, Branch Filing Procedures Chapter)

INVENTORY CONTROL

Accountable items were not accurately maintained. These items included permits and disability placards.

Instructions for maintaining logs of accountable items are given to the branch managers. (Branch Operations Policies and Procedures Manual, Equipment and Supplies Chapter)

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBERS 170, 262 AND 470  
FORT WAYNE, INDIANA  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

ACCOUNTABLE ITEMS

The following schedule details missing items revealed during a comparison of actual inventory of accountable items to the Open Inventory Report of the State Bureau of Motor Vehicles at December 31, 2003. No evidence was found to indicate these items have been sold. A similar comment appeared in prior Audit Report Number B22197.

<u>Year</u>	<u>Plate Type</u>	<u>Plate Number</u>
2002	Personalized	CPACA
2002	Personalized	FOSALE
2002	Personalized	PEARL
2002	Personalized	STMFTTR
2002	Personalized	1980Z87
2002	Truck 7,000	675942L
2007	Handicapped	110199
2007	Motorcycle	92444
2007	Passenger	2J6060 to 2J6061
2007	Truck 42,000	2212H to 2214H

A listing of the items that are to be accounted for to the State Board of Accounts is included in the Branch Operations Policies and Procedures Manual. (Branch Operations Policies and Procedures Manual, Supplies and Equipment Chapter)

INACCURATE TIME RECORDS

Some of the weekly time records were mathematically inaccurate. The total hours worked column of the time record did not always agree with the hours posted.

Employee weekly time records should be mathematically correct. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Page 9:4)

YEAR END INVENTORY

The Branch personnel took an inventory at the end of 2003. In January 2004, we tested the accuracy of this inventory. Several items were located at that time which had not been included in the inventory. When comparing the year end inventory to the Open Inventory Report, we noted that several items had not been included in the year end inventory. A similar comment appeared in prior Audit Report Number B22197.

Prior to year end, detailed inventory instructions were developed and distributed to each branch by Audit Services. They included a listing of accountable items along with sample forms and examples. (Letter dated December 3, 2003, from the Audit Services Director)

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBERS 170, 262 AND 470  
FORT WAYNE, INDIANA  
EXIT CONFERENCE

The contents of this report were discussed on October 5, 2004, with Mrs. Deborah S. Moynahan, Branch Manager; and Ms. Tiffany Richard, Assistant Branch Manager.